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Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

Chapter 11

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**SECOND SUPPLEMENTAL DECLARATION  
 REGARDING DEBTORS' RETENTION OF  
 RAY QUINNEY & NEBEKER P.C. AS  
 BANKRUPTCY COUNSEL FOR THE  
 DEBTORS  
 (AFFECTS ALL DEBTORS)**

Affects:

- ☒ All Debtors
- ☐ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA First Trust Deed Fund, LLC

1 I, STEVEN C. STRONG, submit the following verified statement and disclosure to  
 2 supplement the Declaration of Annette W. Jarvis (the "Jarvis Declaration") that was filed as an  
 3 exhibit to and in connection with the Debtors' Application to Employ Ray Quinney & Nebeker  
 4 P.C. as Counsel to the Debtors Pursuant to 11 U.S.C. §§ 327 and 329, and Rules 2014, 2016, and  
 5 5002 of the Federal Rules of Bankruptcy Procedure (the "Employment Application", Docket No.  
 6 23), and to further supplement my Supplemental Declaration filed on October 2, 2006 (Docket No.  
 7 1425).

8 1. I am a shareholder in the Salt Lake City, Utah office of the law firm of Ray  
 9 Quinney & Nebeker P.C. ("Ray Quinney"). I am a licensed member of the Utah State Bar and am  
 10 admitted to practice in the United States District Court for the District of Utah and other federal  
 11 courts. I have been admitted pro hac vice to practice before this Court in the above-captioned  
 12 bankruptcy cases of the Debtors. I have personal knowledge of the matters set forth herein, except  
 13 that certain disclosures herein relate to matters within the knowledge of other persons at Ray  
 14 Quinney and are based on information received from them.

15 2. On April 13, 2006, USA Commercial Mortgage Company ("USACM"), USA  
 16 Securities, LLC, USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund,  
 17 and USA Capital First Trust Deed Fund, ("Debtors") by and through their counsel, Ray Quinney  
 18 and Schwartzer & McPherson Law Firm, each filed chapter 11 bankruptcy petitions.

19 3. On April 18, 2006, the Debtors filed the Employment Application seeking  
 20 authorization to employ Ray Quinney pursuant to 11 U.S.C. § 327(a).

21 4. Since the filing of my Supplemental Declaration, Ray Quinney has become aware  
 22 of the following additional facts that may similarly require disclosure:

23 5. MaryAnn DeWald, an interest holder in the USA Capital First Trust Deed Fund,  
 24 occasionally consults with one of the estate planning attorneys at Ray Quinney. Mrs. DeWald was  
 25 also represented by an attorney at Ray Quinney in her divorce proceedings. No attorneys at Ray  
 26 Quinney counsel Mrs. DeWald in connection with her investment in USA Capital First Trust Deed  
 27 Fund.

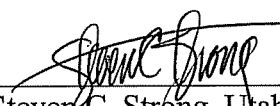
1           6.       Ray Quinney formerly represented Fidelity National Title Insurance Company, a  
2 disbursement agent for some of the loans served by USACM. Ray Quinney is currently  
3 representing a party in litigation, unrelated to USACM, adverse to Fidelity National Title  
4 Insurance Company.

5           7.       An individual by the name of Stephen Nicolatus testified several years ago in Tom  
6 Hantges's divorce proceedings and is reflected on the USA mailing list, but is not a creditor. Mr.  
7 Nicolatus is the uncle of a Ray Quinney associate attorney.

8           8.       To the best of my knowledge, the disclosures herein do not disqualify Ray Quinney  
9 from employment in this case, Ray Quinney does not hold or represent an interest materially  
10 adverse to the Debtors or their bankruptcy estates, and Ray Quinney continues to be a  
11 "disinterested person."

12           I declare, under penalty of perjury, that, to the best of my knowledge, information and  
13 belief, the foregoing is true and correct.

14           Executed 11 December, 2006.

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18           Steven C. Strong, Utah Bar No. 6340  
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